

New MRMIP Enrollment Funded by SB 1379 Revenues

The Governor signed SB 1379 (Ducheny) which provides MRMIP with \$10 million dollars this fiscal year from fine revenue collected from plans by the Department of Managed Health Care (DMHC). DMHC transferred the funds to MRMIP on October 20, 2008. In future years, SB 1379 may transfer additional funding to MRMIP if, and to the extent that, DMHC fine revenue exceeds \$1 million. The table below shows the history of fine revenue collected by DMHC.

Fines Collected by DMHC Since 2000-01

Fiscal Year	Fines Collected	Fine Revenue Over \$ 1 million
2000-01	\$ 409,000	0
2001-02	\$ 640,000	0
2002-03	\$2,116,000	\$1,116,000
2003-04	\$ 779,000	0
2004-05	\$1,141,000	\$ 141,000
2005-06	\$ 965,000	0
2006-07	\$3,907,000	\$2,907,000
2007-08	\$7,018,000	\$6,018,000
2008-09	\$13,000,000*	\$12,000,000*

\*SB 1379 actually transferred \$10 million in 2008-09

Given uncertainty about the amount of revenue anticipated from DMHC fines in future years, the Board must be cautious in how it spends what could be one-time revenue. The next time a fund transfer could occur is September 2009.

At the last meeting, the Board directed that if SB 1379 were signed (and not AB 2), staff should admit individuals from the waiting list up to the number that can be financed by the \$10 million over a 3 year period (the average length of subscriber enrollment in MRMIP). That number is 915, assuming a total case cost of \$10,923 for the 3 years. As of October 4, 2008 there were 663 people waitlisted because of the 7,100 enrollment cap.

On October 8, 2008 MRMIB directed the administrative vendor to offer slots to all of those on the wait list and to continue to offer slots until an additional 915 persons are enrolled. The administrative vendor sent out letters to those on the wait list offering coverage beginning November 1, 2008.

MRMIB and Pricewaterhouse Coopers (PwC) are preparing for the semi-annual enrollment cap estimate that will be presented to the Board in November 2008 for the period January through December 2009. The analysis will be updated in May 2009. For the estimate, PwC reviews MRMIP claims and MRMIB estimates of GIP expenditures and MRMIP/GIP settlements. Given medical trend, it may be that MRMIB will have to lower the enrollment cap.

Thus, once an additional 915 subscribers have been enrolled, above the 7,100 cap, MRMIB will go back to managing at the 7,100 level unless and until the Board revises the cap.